



Addis Ababa, December 1 (WIC) - Eritrea, one of the world's poorest economies, faces additional sanctions at the United Nations as mining companies are told to exercise greater "vigilance" in doing business with the African nation.

UN member states "shall undertake appropriate measures to promote the exercise of vigilance" in their dealings with Eritrea's mining industry, according to a copy of the draft resolution, which adds to 2009 sanctions that included an asset freeze and a travel ban on government leaders.

Eritrea's 2.59 billion dollars economy relies on mining and gold that has drawn investment from companies including Canada's Nevsun Resources Ltd. The push to punish Eritrea was triggered by a UN report in July that said its government planned a failed plot in January to disrupt the African Union summit in Addis Ababa by bombing civilian and governmental targets. The resolution ties Eritrea directly to the attack.

The current text was watered down from an October draft that banned companies from investing in mineral resources and prohibited the payment of a remittances tax.

The resolution now "condemns" the use of a 2 percent tax paid by Eritreans abroad "for purposes such as procuring arms and related materiel for transfer to armed opposition groups" and "decides Eritrea shall cease these practices." The Eritrean government is suspected of raising money with the so-called Diaspora tax to fund terrorism.

At the urging of Ethiopia, Gabon introduced the measure as one of the council's three African members. The U.S. had pushed for a vote today, while Russia said Eritrean President Isaias Afewerki should be allowed to present his case in person to the 15-member panel. The vote may take place on Dec. 5 when Russia takes over the rotating presidency of the council.

Council 'Spectacle'

"We still think it's redundant and likely counterproductive to have a spectacle in the Security Council in which heads of state make emotional statements on the eve of, on the same day as the vote," U.S. Ambassador Susan Rice told reporters in New York. "But if that's what they choose to do, it'll happen, and we'll vote on Monday."

Eritrea has been ruled by Isaias Afewerki, a former rebel leader, since it gained independence from Ethiopia in 1993. The UN has already sanctioned the country in the Horn of Africa for supporting al-Qaeda-linked terrorists fighting to topple the Western-backed government of Somalia.

Al-Shabaab, a Somalia-based terrorist organization that the U.S. says has links to al-Qaeda, generates between 70 million and 100 million dollars a year in revenue from taxation and extortion in areas under its control, according to the UN report.

Gaining Control

Islamist groups including al-Shabaab and the Hisb-ul-Islam movement, previously based in Eritrea, have gained control of most of southern and central Somalia in their bid to oust President Sheikh Sharif Sheikh Ahmed's UN-backed transitional government. Somalia hasn't had a functioning central administration since the removal of Mohamed Siad Barre, the former dictator, in 1991.

(Bloomberg)